

TIMS

TAX INFORMATION MANAGEMENT SYSTEM

Public-Private Partnership (P3) Program Quarterly Status Report

Period: July-September 2011

Outline

- Status: Program Implementation
 - ❑ Key Accomplishments and Milestones
 - ❑ Overall Program Implementation Status
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Status: Program Implementation

Key Accomplishments and Milestones

Release 2

- Release 2 – focuses on building benefits pool
 - 99% complete; completed initiatives
 - IRMF initiative – \$9.94M gross collection to date
 - Refund Review and Fraud Prevention – \$2.60M gross collection to date
 - Automated Attachment – \$52.78M gross collection to date
 - Write-off Reversal – \$12.30M gross collection to date
 - Returned Mail – \$7.73M gross collection to date
 - Vendor Attachment – \$3.22M gross collection to date
 - Desk Audit Selection Initiatives – expected \$1.6M per year beginning 4Q 2011
 - Compliance Tracking Framework – reporting function only with no revenue generation
 - Remaining component
 - Revenue Audit Report Case Automation – October 2011
 - Total gross collections to date
 - Original Baseline Forecast: \$19.54M
 - Actual: \$88.58M

Key Accomplishments and Milestones

Release 3

- Release 3 – focuses on integration of tax processes
 - ❑ Production implementation complete
 - ❑ Post-production clean-up activities in progress
 - ❑ Lessons Learned Summit conducted mid-September; results to be assessed for inclusion in Release 5
 - ❑ Audit automation for Inter- and Intra-state Motor Carrier (IFTA) and International Carriers (IRP) scheduled for December 2011*

**No cost enhancements.*

Overall Program Implementation Status

Period Ending September 2011

Program Status Summary						
Scope	Schedule	Budget				
G	Y	G				
<ul style="list-style-type: none"> No scope-related change requests were approved this month 	<ul style="list-style-type: none"> Release 2: Forecasting about 3 months delayed Release 3: Production implementation complete; post-production clean-up activities in progress Release 5: Full schedule being elaborated 	Expenditures (in millions \$)	Total Budget	Planned To-Date	Actual To-Date	% Var
		Contracts	79	63.21	43.02	32%
		Infrastructure	7	6.14	5.47	11%
		Other DOR	10.16	4.46	4.46	0%
		Total	\$96.16	\$73.81	\$52.95	28%
		<ul style="list-style-type: none"> CGI Contract Payments: \$ 43.02 (55.98%) - percentage for contract payments to-date compared to total amount contracted to-date decreased from 56.22% to 55.98% (resulting from addition of e-Services and CRM, Contract Amendment 9) Project budget being re-forecast for current fiscal year; once revised budget is baselined, cost variance will be calculated against the new baseline 				

TIMS Program Dashboard						
Program Releases	Plan Start Date	Go-Live Date	Actual/ Forecast Start Date	Actual/ Forecast Go-Live Date	% Work Complete	Status
Release 0	10/01/08	08/31/09	10/01/08	09/24/09	100%	Completed
Release 1	10/05/09	02/24/10 03/26/10	10/05/09	02/25/10 05/13/10	100%	Completed
Release 2	10/15/09	04/22/10 07/22/11	10/15/09	04/19/10 10/07/11	99%	↔
Release 3	10/01/08	07/12/11	06/04/09	07/13/11	100%	Completed*
Release 5	07/27/10	TBD	06/15/10	TBD	TBD	Schedule being developed

*Release 3 production implementation complete. Scheduled post-production activities in progress.

Status: Benefits Realization

Summary of Benefits (Gross)

Forecast vs Actuals / Collections by Initiative Period Ending September 2011

Original Benefit Forecast (in \$ Millions)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Quarterly Gross Benefits-Forecast	0.00	0.00	0.00	2.36	4.36	6.23	6.59	7.41	7.26	6.92	6.62	6.74	6.55	6.35	6.03	5.92
Cumulative Gross Benefits-Forecast	0.00	0.00	0.00	2.36	6.72	12.95	19.54	26.95	34.22	41.14	47.76	54.50	61.05	67.41	73.44	79.36
Quarterly Gross Benefits-Actual	-	0.48	10.34	15.15	22.08	10.97	29.56									
Cumulative Gross Benefits-Actual	-	0.48	10.81	25.97	48.05	59.02	88.58									

Collections by Initiative			
Initiative	Gross Collection To-Date	Net Collection ¹ To-Date	Vendor Fund ² To-Date
IRMF	\$9,941,887	\$7,727,771	\$5,205,044
Desk Audit Selection - New and Existing	\$0	\$0	\$0
RAR Case Automation	\$0	\$0	\$0
Refund Review and Fraud Prevention	\$2,598,151	\$2,598,151	\$1,694,603
Automated Attachment	\$52,778,736	\$41,153,646	\$27,792,489
Collections Case Management with Decision Analytics	\$0	\$0	\$0
Write-off Reversal Automation	\$12,300,987	\$8,317,150	\$5,644,881
Returned Mail Automation	\$7,734,726	\$5,628,190	\$3,817,176
Corporate Delinquency	\$0	\$0	\$0
Vendor Attachment	\$3,221,430	\$1,904,183	\$1,332,930
TOTAL	\$88,575,917	\$67,329,091	\$45,487,124

¹After deducting collection fees, county tax, and penalties.

²Vendor funds of \$45.49M reached in July 2011; no additional allocations will be made.

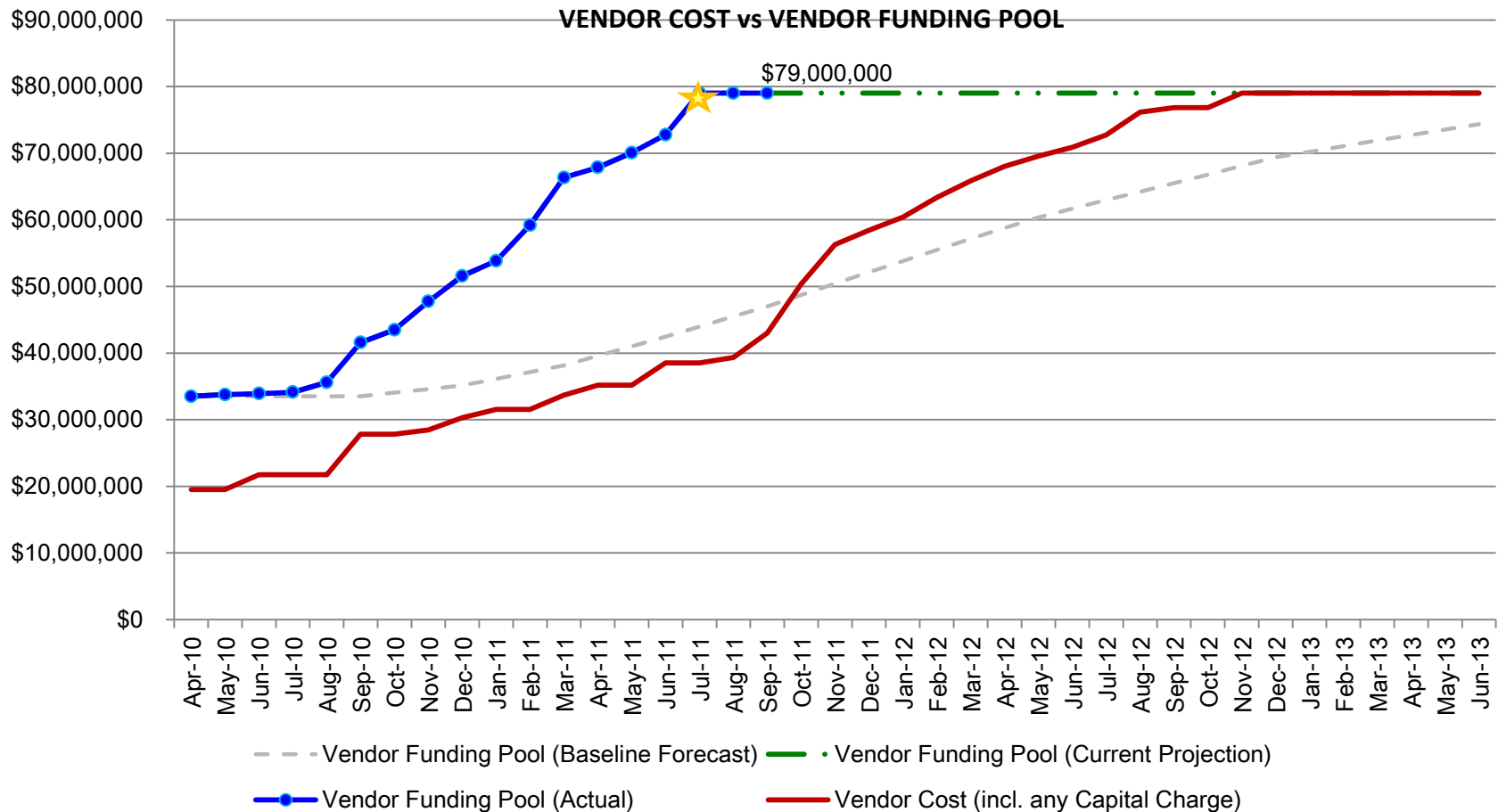
Original Forecast vs Current Projections

Annual Peak Benefit by Initiative

	Original Forecast		Current (Low) Projections	Change Symbol
	Annual Peak \$		Annual Peak \$	
	Low	High		
1. Individual Non-Filer Program Expansion (IRMF)	\$3.5M	\$22.0M	\$9.6M	↑
2. RAR Case Automation	\$0.3M	\$3.0M	\$0.3M	↔
3. Refund Review & Fraud Prevention	\$1.0M	\$8.0M	\$2.6M	↑
4. Desk Audit Selection – New and Existing	\$1.6M	\$11.4M	\$1.6M	↔
5. Automated Attachment	\$4.0M	\$4.0M	\$36 M	↔
6. Collections Case Management	\$11.0M	\$11.0M	\$11.0M	↔
7. Write-off Reversal Automation	\$3.2M	\$4.0M	\$3M	↔
8. Returned Mail Automation	\$1.0M	\$1.9M	\$3.6M	↔
9. Vendor Attachment	\$2.4M	\$3.0M	\$2.4M	↔
10. Corporate Delinquency	\$1.0M	\$2.0M	\$1.0M	↔
TOTAL	\$29.0M	\$70.3M	\$71.1M	↑

Vendor Cost vs Funding

Period Ending September 2011



★ July 2011: Vendor funding pool reached \$79M

Note: \$79M value November 2012 is an artificial bump in cost representing anticipated project costs.

Vendor Cost vs Funding Highlights

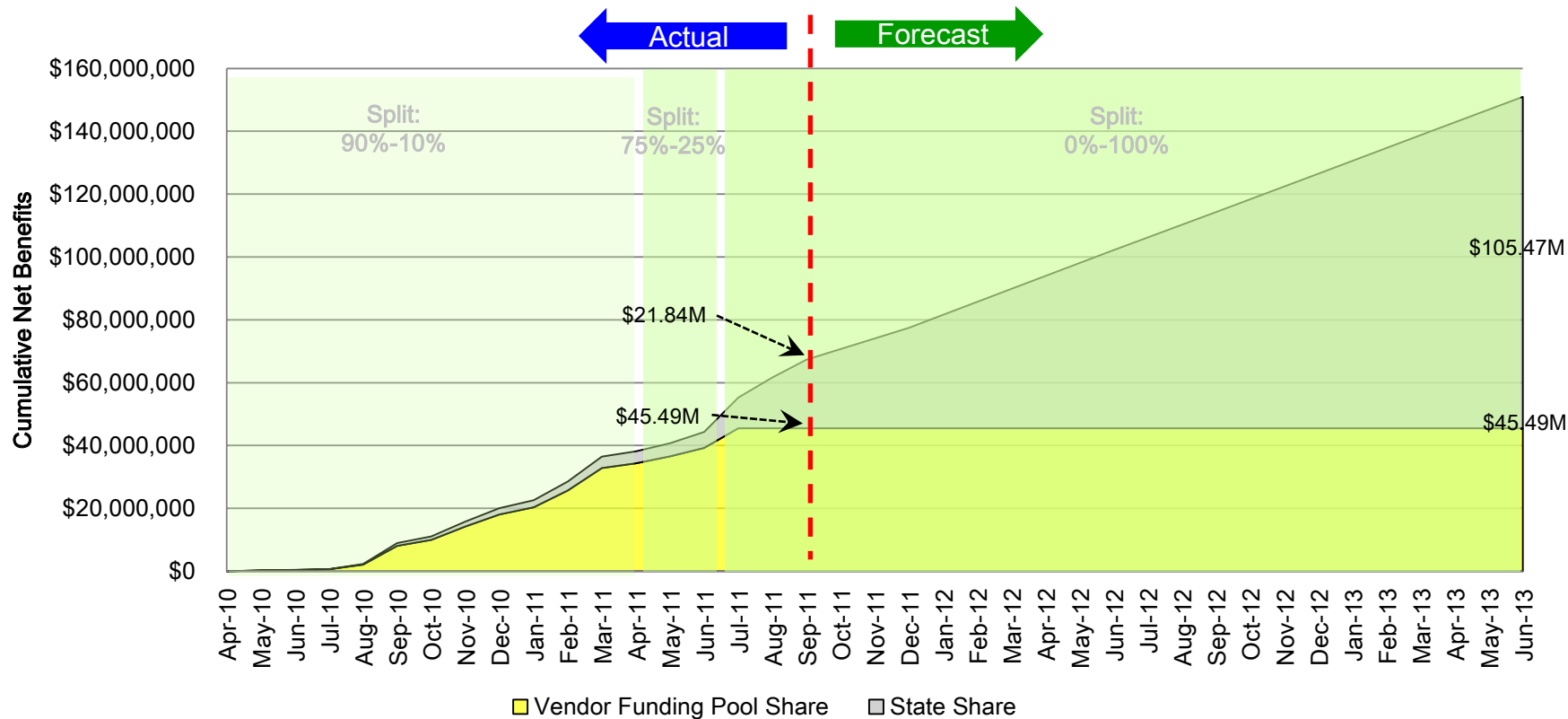
Period Ending September 2011

- Total Gross Benefits
 - Cumulative Quarterly Benefits - Forecast (Baseline): \$19.54M
 - Cumulative Quarterly Benefits - Actual: \$88.58M
- Total Vendor Funds: \$79M
 - From Appropriations: \$33.51M
 - From Benefits: \$45.49M (reached July 2011)
- State's Share of Benefits
 - Total benefits allocated to State General Fund: \$21.84M

Net Benefits Split

Period Ending September 2011

(excluding appropriations)



P3 Oversight Process

Upcoming Items

- Contract Amendments
 - 10th contract amendment
 - Currently being drafted
 - Includes a collection of smaller changes approved by the Process Council and TIMS Operations Committee

Appendix

Appendix

- Supporting Documents
 - ❑ Scenario 5 (v.2011-10-01) – approved projects in progress, monthly forecast and actual expenditures, monthly forecast and actual benefits, cash flow for vendor payments
 - ❑ TIMS Monthly Management Status Report (September 2011) – comprehensive status of all releases
 - ❑ Revenue Benefits Report (September 2011) – transfer workbook



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